Ministry of
Provincial Revenue

2002/03
Annual Service Plan Report

BRITISH
COLUMBIA

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For more information on the British Columbia Ministry of Provincial Revenue please contact:

Strategic Initiatives Branch
PO BOX 9441
STN PROV GOVT
VICTORIA, BC
V8W 9V4

Or visit our Web site at
www.gov.bc.ca/rev/

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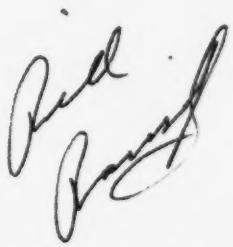
Accountability Statement

The 2002/03 Ministry of Provincial Revenue Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*.

This report compares the actual results to the expected results identified in the ministry's 2002/03 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.

Additionally, under the *Balanced Budget and Ministerial Accountability Act*, I am accountable for achieving the following result for 2002/03.

Expected Result for 2002/03	Result Achieved
Earn $7.0 million in incremental (new) net revenue from audit and revenue compliance related activity.	$150 million



Honourable Bill Barisoff
Minister of Provincial Revenue

June 17, 2003

BRITISH COLUMBIA

Ministry of Provincial Revenue

As the Ministry of Provincial Revenue approaches its third year of operation, I am pleased to report that we have exceeded our primary goal of increasing revenue collection on behalf of the province. The ministry was created with a single focus on effective and efficient collection of revenue owed to government — through taxes, stumpage, overdue payments for various fees and loans, and oil, gas and minerals royalties.

Revenue collection is necessary to fund the many services British Columbians rely on, including those in priority areas such as health care and education. Fair, equitable and efficient revenue collection continues to be a key priority of this ministry.

Prior to the ministry's creation, government's overdue accounts receivable were increasing dramatically. This year we began focusing on an innovative long-term strategy aimed at reversing that trend through the establishment of centralized collections and payment systems. We are also increasing our enforcement efforts, and improving taxpayer education in order to encourage voluntary compliance.

While I am pleased with our accomplishments to date, I am committed to continually improving our performance. To that end, over the past year we have implemented a number of technological advances to streamline the ministry's processes and procedures.

The success we have had in meeting our objectives this year is due to the hard work of our many dedicated and talented employees. I would like to take this opportunity to thank all ministry staff for their continuing efforts and to congratulate them on their achievements on behalf of the government of British Columbia.

Honourable Bill Barisoff
Minister

Message from The Deputy Minister

Since the Ministry of Provincial Revenue was created in June 2001, we have had considerable success in achieving our performance targets. In the 2002/03 fiscal year, we updated our performance measures and added some new ones in keeping with our commitment to continuous performance improvement.

This year, as a result of our increased efforts, we collected roughly $15.5 billion from tax and other revenue sources. The revenues collected by this ministry support the delivery of government programs the public values and relies on, such as health care and education.

Our long-term vision remains the same: to be the centre of excellence for revenue and debt collection in government. We continue to do this through a commitment to excellence and innovation — whether through providing quality customer services or through the use of new technology that makes it easier for people to voluntarily meet their obligations.

In our second year as a ministry, we underwent major expansion, re-organization and transition, taking on more responsibility and streamlining business processes to become more efficient. I am proud that our work continued without significant service disruption to our clients, despite an ongoing change environment.

We completed the ministry's Human Resources Management Plan this year as a critical component of our service plan. The plan sets out our goals in the areas of recruitment, motivation and development of a strong ministry identity. Under this plan, we implemented employee learning and development planning, an employee recognition program and a Web-enabled flexible workplace tool. Work is also underway on a long-term recruitment strategy and employee succession planning.

I would like to acknowledge the staff of the Ministry of Provincial Revenue for their dedication, hard work and commitment to excellence over the past year. Our success in meeting our performance targets is due to the contributions made by many highly skilled individuals, and to the excellent teams and leadership we have established and continue to develop.

Chris Trumpy
Deputy Minister of Provincial Revenue

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Year-at-a-Glance Highlights

The Ministry of Provincial Revenue was created on June 5, 2001. The government's goal was to consolidate most government revenue and debt-related functions in one location, to achieve economies of scale, expertise and efficiencies and to ensure that government receives the revenue it is due from all sources.

The Ministry of Provincial Revenue provides a central service to the province of British Columbia for revenue and debt administration and collection — including income, consumption, resource and property taxes — as well as Medical Services Plan premiums, certain fees and outstanding debts and receivables.

The ministry manages billings and receivables, tax appeals, and administers loans on behalf of the province. We work with taxpayers, debtors and government to promote voluntary compliance through public education, assistance and service.

The ministry also represents British Columbia with Canada Customs and Revenue Agency with respect to the taxation statutes they administer on our behalf. The ministry handles tax collection functions for other agencies such as the Greater Vancouver Transit Authority, Build BC and local governments.

Key achievements and significant events for the ministry in the fiscal year 2002 - 2003 are listed below in relation to the five goals of the ministry:

1. Maximizing voluntary compliance

Voluntary compliance means customers take responsibility to pay their obligations without requiring the ministry to enforce payment. Voluntary compliance is the best means of collecting revenue and debt. The ministry is committed to improving services and maximizing voluntary compliance.

- Completed the British Columbia personal income tax residency project, Phase 1. The project is a joint audit initiative with the Canada Customs and Revenue Agency (CCRA) focusing on the residency of individual tax filers residing in British Columbia but indicating residency in another province. The project resulted in significant additional income tax revenues being recovered to the province.
- Completed a cross-ministry project that introduced the use of personal computer/ telephone banking for individual 2002 rural property tax payments.
- During this fiscal year, the number of businesses participating in Internet filing programs increased by 35 per cent (from 650 to 990).

2. Collecting all outstanding amounts owed to government

When a taxpayer fails to remit amounts owed to government, the ministry undertakes audit and enforcement activities. These activities help to ensure amounts owed are collected, deter customers who might otherwise avoid paying, and link directly to Goal 1 as a key factor in increasing voluntary compliance.

- Exceeded a number of key ministry targets including incremental revenue, average assessment per auditor and payments of accounts receivable per collector.
- Transferred MSP premium billing and collections from the Ministry of Health Services on September 1, 2002.
- Increased usage of third-party demands by approximately 50 per cent, resulting in $13 million in tax collections.
- Reduced the number and dollar amount of tax accounts receivable.
- Collected $38 million in non-tax overdue debt.

3. Fair, efficient and equitable administration that meets customers' needs

The ministry is committed to meeting customers' needs by improving the regulatory and administrative frameworks for tax and debt collection. The ministry will continue to make improvements to ease the administrative burden on customers and to enhance the business climate within British Columbia.

- Administered the BC Family Bonus program by processing over three million taxpayer records and payments of over $150 million to more than 220,000 families.
- Administered the timely delivery by CCRA of the BC Energy Rebate to approximately 1.136 million individual recipients involving payments of $76.5 million.
- Improved the timeliness of the appeals process to produce final decisions from 13.2 to 11.4 months.
- Administered the Forest Renewal British Columbia and CCRA Protocol Agreement that provides for the payment of certain income tax amounts to eligible clients who received payments in excess of $19 million under the Forest Workers Transition Program.
- Implemented procedures to support the phase out of the Corporation Capital Tax program for non-financial corporations, including an enhanced non-filer compliance initiative to ensure the fair and equitable treatment of taxpayers.
- Transferred Overdue Direct Lend student debt, non-motor vehicle related court fines and additional Medical Service Plan accounts receivable for collection.

4. Continuous performance improvement and accountability

With the ministry's focused mandate, an opportunity exists to strengthen the organization's infrastructure, effectiveness and accountability for its performance.

- Successful introduction of direct/electronic access of faxed nil tax returns into the Tax Administration and Compliance System (TACS).
- The Single Change of Business Address (SCOBA) went live on the Internet in July 2002. This initiative allows a business to submit its address only once and have the address automatically updated for all participating partner agencies.
- Reviewed and streamlined the Disabled Fuel Tax Refund Claims program. As a result, the Refund Section is able to process over 950 claims a week, compared to 500 claims prior to the review.
- Made substantial progress towards developing a method to electronically file property transfer forms in conjunction with Land Titles Branch.
- Enhanced Automated Call Distribution (ACD) lines resulting in a 97 per cent pick up rate of all inbound phone calls.
- Streamlined online credit card payment processing for non-tax debt.

5. Highly skilled, motivated and innovative employees

As an organization that wants to continue to excel, the ministry relies on the strength, skills and commitment of its staff. The ministry is nurturing a learning environment with staff development focused on key competencies and addressing succession issues.

- Developed the ministry's Human Resources Management Plan and completed an employee survey with an overall satisfaction rating of 80 per cent.
- Established succession plans for key positions.
- Commenced implementation of an employee learning and development plan.
- The deputy minister met with all employees to promote communication and understanding of the ministry and its service plan.

Ministry Role and Services

Vision, Mission and Values

Vision

The ministry is guided by our vision, *"We will be the centre of excellence for revenue and debt collection in government."*

Mission

Our mission statement is to: *"Provide fair, efficient and equitable revenue and debt collection which supports public services to meet the needs of citizens in British Columbia."*

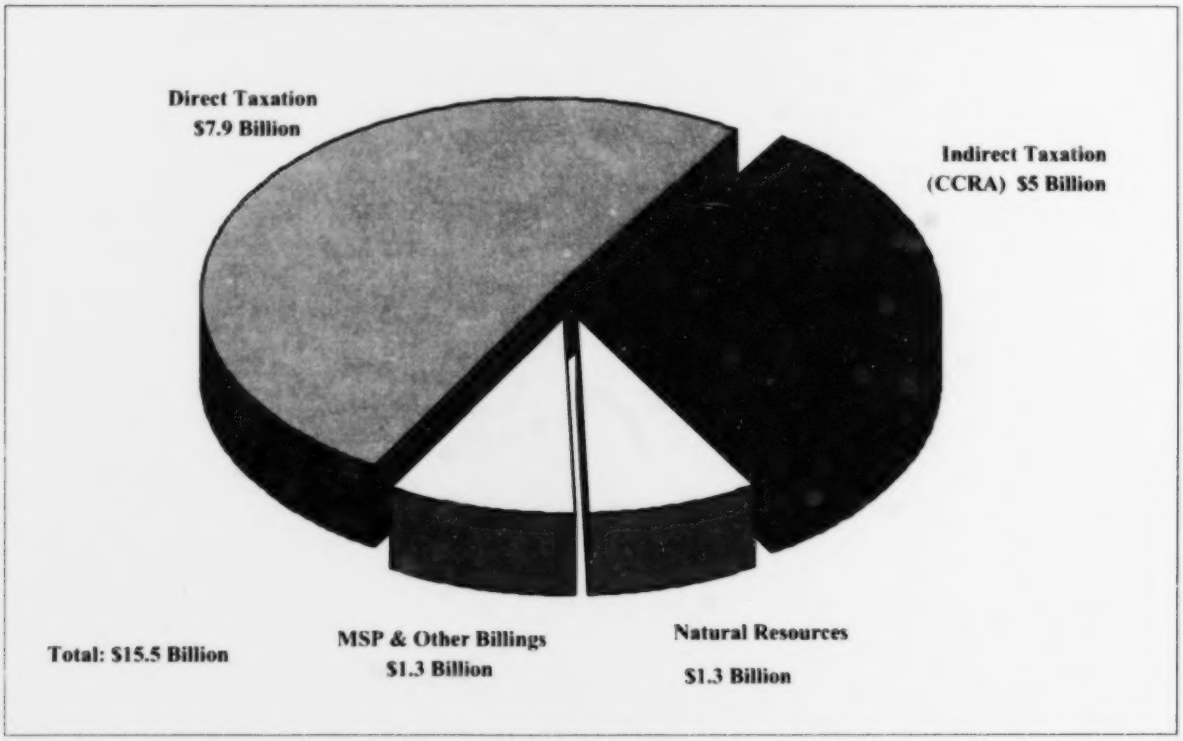
Values

We are guided by our core values of *accountability, quality service, innovation, integrity, productivity and professionalism* when delivering services to the citizens and businesses of the province.

Ministry Overview

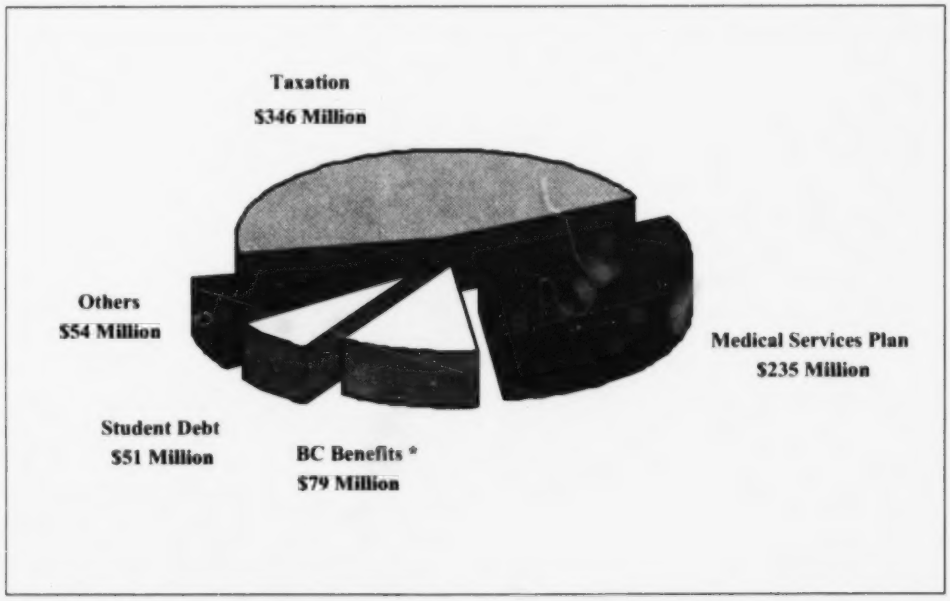
The Ministry of Provincial Revenue provides a central service to the province for revenue and debt administration and collection, including income, consumption, resource and property taxes as well as medical services plan premiums, certain fees and outstanding debts and receivables. We manage billings and receivables, tax appeals and administer loans on behalf of the province. Table 1 below illustrates the total amount of annual estimated revenues the ministry is responsible for. This amount is approximately $15.5 billion for the fiscal year 2002/03.

Table 1



With respect to management of tax and non-tax accounts receivables portfolios, the ministry administers $765 million in accounts receivable as at March 31, 2003. The accounts receivables for debt administration consist of portfolios for which the ministry provides a collection service on behalf of another ministry. Table 2 shows the sources of overdue accounts receivable revenue related to core business functions for tax revenue and debt administration.

Table 2



* Now known as Employment and Assistance Benefits

Ministry Operating Context

External Factors

Slow economic growth directly impacts the amount of tax revenue collected by government. The continued slow economic recovery of British Columbia's major trading partners (the U.S. and Japan) and the ongoing softwood lumber dispute negatively affected tax revenues. However, low interest rates have spurred consumer expenditure in the durable goods sector, particularly vehicle and home purchases. Taken together, reductions in resource-based industries have been offset by increased consumer expenditures for durable goods and tax revenues generated from fuel sales.

With respect to inter-jurisdictional activities, the ministry entered into an arrangement with the Canada Customs and Revenue Agency (CCRA) in which they collect sales tax from individuals on behalf of the province at the Canada-U.S. border. Last fiscal year, this project netted the ministry approximately $9 million.

Additionally, the ministry works with CCRA to ensure the correct filing of income tax returns across provinces. During the pilot of this project, $14 million was collected from 30 taxpayers, but the ministry recognizes that this amount is unusually high and will not be sustainable in future years. Full implementation is now planned with CCRA.

Another similar project with CCRA involves ensuring that corporate income taxes are assessed accurately across provinces. One of these files alone this year yielded $9 million, and another still in progress involves an amount over $3 million.

Internal Factors

Consolidation (new ministry/new programs), customer expectations and limited resources will influence development of alternative service delivery strategies. Policy changes concerning program delivery within partner ministries can affect our mandate to deliver our goals and objectives within a set budget.

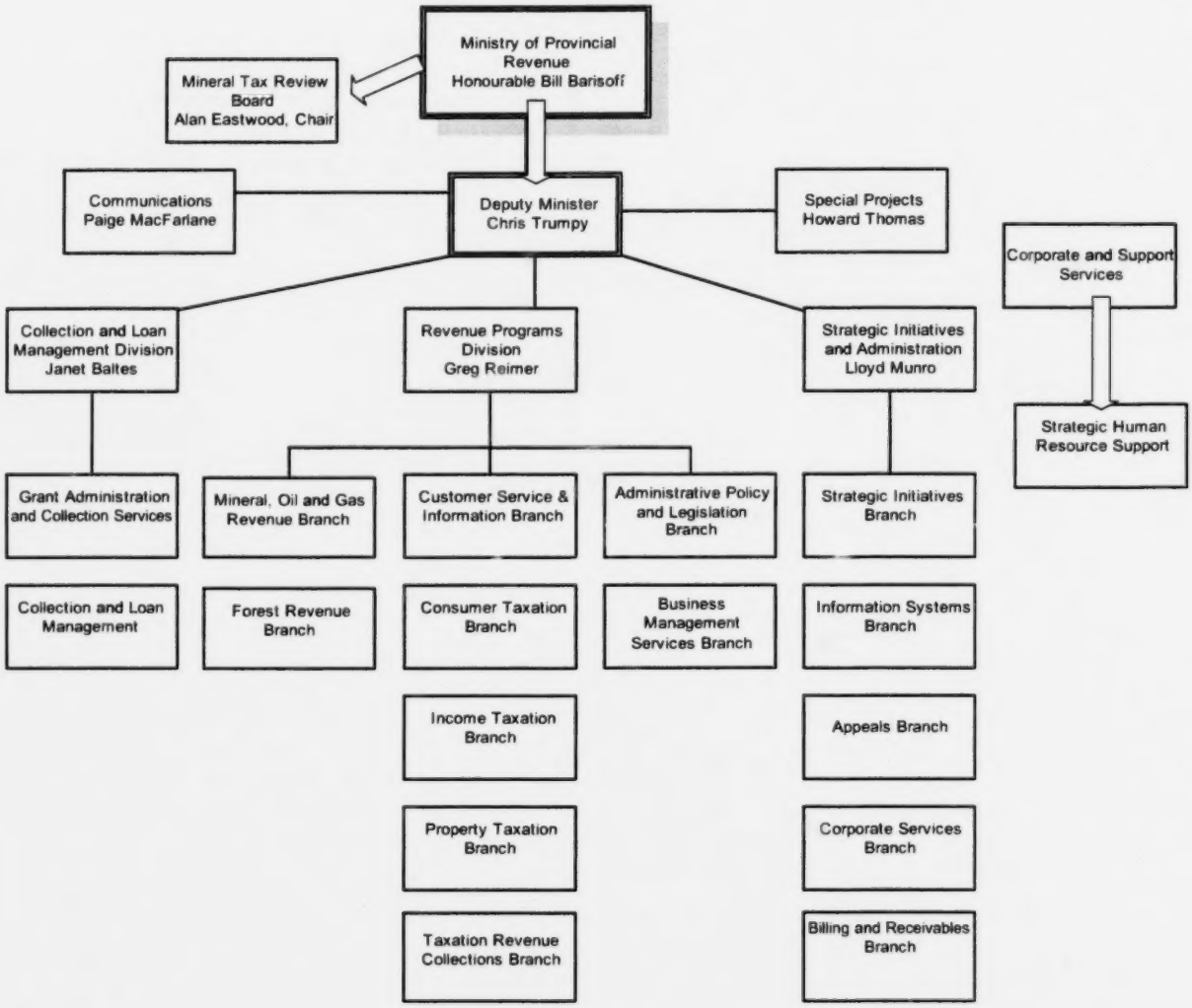
Additionally, the acquisition of revenue management functions from other ministries during the year has provided challenges to the information systems support function of the ministry and reinforces the need for a government-wide revenue receivable management environment. As the revenue management scope of the ministry expands so will our new role as an agency or partner with other ministries. The ministry will continue to examine and resolve issues of accountability with our new partners.

Government-wide workforce adjustment and shared services initiatives have created program delivery challenges. The ministry filled several vacancies with staff displaced as a result of workforce adjustment and several information technology positions were transferred to the Ministry of Management Services' Common Information Technology Services (CITS) division.

Update on *New Era* Commitments

The ministry contributes to the achievement of the goal of "A Strong and Vibrant Provincial Economy" and the related objective that "Government will be affordable and fiscally responsible." The ministry is accountable for the implementation of a strategy to improve revenue management by increasing recoveries of revenues and streamlining collections. The ministry has significantly increased the amount of additional or "incremental" revenue collected and the future development of the Revenue Management Project will streamline billing and collections. Ministry performance in these areas is further described in the Performance Reporting section of this report.

Ministry Structure



"Note: As of April 1, 2003 The Mineral Tax Review Board has been dissolved

Core Business Areas

The ministry is comprised of three core business areas. The following section provides a description of the key functions, programs and services, and the results achieved by each core business area. The ministry is responsible for the administration of several provincial tax acts and regulations as listed in Appendix A.

Revenue Programs Division

Revenue Programs Division (RPD) is responsible for the administration and collection of tax and natural resource revenues for the province. Revenue programs receive over $15 billion in revenue that is used to support public services for the citizens of British Columbia.

RPD provides fair, efficient, professional and equitable administration of tax, revenue and benefit programs to ensure that government receives the revenue it is due through compliance with taxation, energy and forest revenue statutes. The division promotes voluntary compliance through quality customer service, education and compliance programs. RPD represents British Columbia with the Canada Customs and Revenue Agency (CCRA) with respect to the taxation statutes that CCRA administers on behalf of the province, and also handles the collection of taxes for other agencies such as the Greater Vancouver Transportation Authority, Build BC, local governments and the British Columbia Ferry Corporation (now BC Ferry Services Inc.).

Collection and Loan Management Division

Collection and Loan Management Division (CLM) collects overdue non-tax accounts receivable debts and loans owed to government. Accounts receivable, such as student loans or medical services premiums, arise as ministries provide various services and programs to the public. CLM uses a variety of collection tools and strategies to collect overdue debts and conducts all activities in a fair, professional and equitable manner. The division ensures that public funds are recovered in a cost-effective manner while at the same time ensuring program integrity is maintained.

CLM also administers the Medical Services Plan Temporary Premium Assistance Program that provides assistance where there is undue financial hardship.

The division administers the provincial home owner grant program that provides property tax relief to approximately 950,000 residents of British Columbia and ensures that only eligible British Columbians receive home owner grants by auditing and recovering funds that were paid to ineligible claimants. Local governments and Revenue Programs Division administer the program within their jurisdictions.

Strategic Initiatives and Administration Division

The Strategic Initiatives and Administration Division (SIAD) performs a variety of corporate functions, strategic policy and planning support and a tax appeals function for the ministry. It is responsible for development of the ministry's annual service plan, supports the business planning process for ministry branches, and coordinates a range of corporate initiatives. SIAD manages the ministry's information management/technology (IM/IT) strategic plan and maintains and develops the ministry's complex IM/IT environment — the computers and systems that support ministry business functions. It also handles all ministry financial matters, including preparation of the ministry's annual estimate of revenue, expenditures, capital and financing transactions. SIAD provides a central billing and receivables service to the government's tax and non-tax clients. Finally, it provides an appeals resolution service, conducting impartial analysis of tax and resource revenue appeals, based on principles of fairness and equity.

Performance Reporting

Goals, Objectives, Key Strategies, Core Business Areas and Results

Goal 1 — Maximize voluntary compliance

Voluntary compliance means taxpayers are taking responsibility to pay their obligations without requiring the ministry to pursue payment. Voluntary compliance is the most effective and efficient means of collecting revenue and debt. The ministry measures its success in achieving this goal in a number of ways, including reporting on the percentage change in the number of on-time payments and the number of "visitors" to its Web site. Increases in these areas indicate a greater understanding by taxpayers of their obligations and their understanding of how and where to gain further information.

The three objectives measured under this goal represent a common theme in tax administration. The provision of educational material in printed or electronic form provides the taxpayer with a clear understanding of their obligations, filing due dates, methods of filing and payment and contact information for questions. By providing educational services to taxpayer, the percentage of on-time filing remains very high. In addition, performing audits provides a strong non-compliance deterrent.

Core Business Area	Objectives	Performance Measures	2002/03 Targets	2002/03 Actual	Explanatory Notes
Revenue Programs	Taxpayer and clients obtain accurate and timely information on their obligations	Percentage of on-time payments	85%	85%	Note 1
	Maximize use of new electronic technologies to facilitate ease of transactions	Number of annual visitors to Web sites	320,000	500,000	Note 2
	Simple, transparent mechanisms and incentives to file information reports and make payments	Number of audits performed	145,000	194,104	Note 3

Note 1: On-time filing percentage means of the number of tax returns issued, 85 per cent were returned on time and no further compliance work was required.

Note 2: Number of annual visitors to Web sites represents the number of times our Web sites were visited during the reporting period. The reporting service built into the Web sites counts the visits but does not exclude repeated visits nor do they exclude ministry staff visits. This measure should be considered as an output measure of activity.

Note 3: The ministry has increased the number of audits performed. Audits provide the taxpayer with a clear understanding of their tax obligations and serve as a strong non-compliance deterrent.

Goal 2 — Collection of all outstanding amounts owed to government

When a taxpayer fails to remit amounts owed to government, the ministry undertakes audit and enforcement activities. These activities assist in ensuring amounts owed are collected, deter customers who might otherwise avoid paying, and link directly to Goal 1 as a key factor in increasing voluntary compliance. Performance measures used to evaluate achievement of this goal include changes in the amount of "Net Incremental Revenue" which is the amount of revenue collected after the ministry has initiated an enforcement action less expenditures. Due to a number of unpredicted one-time revenue opportunities the ministry was able to significantly outperform its incremental revenue target goal in 2002/03.

Core Business Area	Objectives	Performance Measures	2002/03 Targets	2002/03 Actual	Explanatory Notes
Revenue Programs	Collect an increased net amount annually through audit and enforcement activities	Net return (gross incremental revenue less gross expenditure budget) to the province over baseline	$7 million	$150 million	Note 1
Revenue Programs	Reduce key overdue accounts receivable ratios	Annual assessment per auditor	$510,000	$1.1 million	Note 2
	Reduce key overdue accounts receivable ratios	Annual account receivable revenue per collector	$2.6 million	$4.9 million	
Revenue Programs and Collection, Loan Management	Reduce key overdue accounts receivable ratios	Ratio of total government (>90 days) accounts receivable to total government accounts receivable	45% of government accounts receivable is more than 90 days overdue	40% of government accounts receivable is more than 90 days overdue	Note 3

Core Business Area	Objectives	Performance Measures	2002/03 Targets	2002/03 Actual	Explanatory Notes
Revenue Programs	Reduce key overdue accounts receivable ratios	Ratio of overdue tax (>90 days) accounts receivable to total tax accounts receivable	43% of government accounts receivable is more than 90 days overdue	36.5% of government accounts receivable is more than 90 days overdue	Note 3

Note 1: The ministry committed to achieve a net incremental revenue target of $7 million in 2002/03, $34 million in 2003/04 and $51 million in 2004/05. The ministry brought in $150 million in incremental revenue in 2002/03 alone. In addition to the expected swings in revenues, a number of unanticipated opportunities contributed to the ministry's successes in the collection of incremental revenue, much of which cannot be counted upon in the future. Unanticipated recoveries were achieved under the Property Transfer Tax, Corporation Capital Tax, Mineral, Oil and Gas validations, Logging Tax assessments, and partnerships with CCRA.

Note 2: The increased auditor and collector recoveries are a reflection of the one-time opportunities resulting in outperforming the ministry's incremental revenue target in 2002/03.

Note 3: A reduction in these values indicates progress towards reducing the amount of overdue accounts receivable. The ratio of overdue government receivables is below the target of 45 per cent, due partly to increased collections, offset by increased amounts owed for MSP and student loans. However, the total government overdue accounts receivable has increased. The ministry has also exceeded its target this year by achieving a reduction of the tax-related overdue accounts receivable.

Goal 3 — Fair, efficient and equitable administration that meets customers needs

The ministry is committed to meeting customers' needs by improving the regulatory and administrative frameworks for tax and debt collection. The ministry is making improvements to ease the administrative burden on customers and to enhance the business climate within British Columbia. Activities undertaken this year include the development of the Revenue Receivables Management Project to centralize the management of all government accounts receivables, and the elimination of 1,245 regulatory requirements. Additionally, the ministry continues to consolidate overdue accounts receivable portfolios in conjunction with partner ministries and reduce the time it takes to resolve an appeal by a taxpayer.

Core Business Area	Objectives	Performance Measures	2002/03 Targets	2002/03 Actual	Explanatory Notes
Collection and Loan Management	Consolidation of debt administration	Progress to consolidate the government's accounts receivable programs	Target determined to be one program per fiscal year	Two programs	Note 1
Ministry	Consolidation of debt administration	Develop a corporate accounts receivable system	30% of A/R system completed (design)	10% of A/R system completed	Note 2
Strategic Initiatives and Administration	Consolidation of debt administration	Increase timeliness of appeal process to produce final decisions	9.5 months	Reduced restated baseline of 13.2 months by 1.8 months to 11.4 months	Note 3
Revenue Programs	Reduced legislative and administrative requirements and streamlined procedures	Reduce regulatory requirements placed on taxpayer to meet government direction	Reduced regulatory requirements by 1,000	Reduced base by 1,245 regulatory requirements	Note 4

Note 1: The target for this program was revised to one program per year. The ministry achieved two programs.

Note 2: Overall business model developed but progress with this project is slower than expected. The Revenue Management Project (RMP) is focussed on assisting the ministry's goal to increase the realization of revenue in the most cost effective and efficient manner. The project vision is to develop an integrated, streamlined business and systems environment that enables consolidation of revenue management under the Ministry of Provincial Revenue as a centre of excellence for revenue and debt collection while ensuring accountability from the program ministries for the quality of the debt.

Note 3: The Service Plan for Fiscal 02/03 to 04/05 showed the baseline for Fiscal 01/02 as 10.25 months. This baseline was established prior to the creation of the appeals branch and the consolidation of the appeals groups. It did not take into account the timeline of further review and approval steps. The baseline for fiscal 01/02 is 13.2 months. This figure reflects the overall timeline from receipt of appeal to the date of the minister's decision and therefore is a more accurate number. Although the ministry did not meet the 2002/03 target, the ministry did reduce the appeal timeline by almost two months and remains committed to meeting the targets set out in the 2003/04 to 2005/06 service plan.

Note 4: As part of the ministry's contribution to the government-wide deregulation commitment, the ministry has exceeded its target (1,000 reductions) by eliminating 1,245 regulatory requirements.

Goal 4 — Continuous performance improvement and accountability

With the ministry's focused mandate, an opportunity exists to strengthen the organization's infrastructure, effectiveness and accountability for performance. Two of the key indicators of success in achieving this goal are measures of the number and value of revenue transactions that are collected electronically. The ministry will continue to develop and promote the receipt of revenues electronically.

Core Business Area	Objectives	Performance Measures	2002/03 Targets	2002/03 Actual	Explanatory Notes
Revenue Programs	Continuously improve and simplify work processes	Percentage of receipts made electronically	34%	28%	Note 1
Revenue Programs	Continuously improve and simplify work processes	Percentage of revenue received electronically	60%	58%	
Revenue Programs and Collection and Loan Management	Determine if alternative collection vehicles are more cost-effective	No measure set since initial fiscal year for the ministry	(Actual: no target set) Accounts valued at $43M outsourced	Accounts valued at $108M outsourced	Note 2

Note 1: The target concerning value of payments has been reached but the number of taxpayers participating has not been reached due to lower than expected uptake. It is projected that the ministry will process over 400,000 receipts electronically in the fiscal year 2003/04.

Note 2: There was a 700 per cent increase in the number of accounts that were outsourced for a total value of $108 million as at March 31, 2003.

Goal 5 — Highly skilled, motivated and innovative employees

The ministry relies on the strength, skills and commitment of its employees. The ministry is working towards creating a learning environment with staff development focused on key competencies and addressing succession issues. The establishment of individualized development and learning plans is a key component of a supportive and innovative working environment. The ministry committed to creating learning and development plans for 50 per cent of our staff this year and has achieved that goal. These plans identify the core competencies and skills that ministry staff should have for each type of job. They also help to identify skill gaps, training needs and paths to career development.

Core Business Area	Objectives	Performance Measures	2002/03 Targets	2002/03 Actual	Explanatory Notes
Ministry	A learning and growth-oriented work environment to attract skilled and motivated employees	Percentage of staff with development and learning plans in place	50%	76%	Note 1
Ministry	Staff composition and succession is managed to ensure the ministry operates effectively	Percentage of identified critical positions with succession plan	Identify critical positions	Completed	Note 2

Note 1: During 2002/03, employee learning and development plans were completed for 76 per cent of MPR employees, well above the ministry target of 50 per cent.

Note 2: The ministry is monitoring staff composition and succession carefully to ensure that the ministry continues to operate smoothly. Identifying critical positions was the first step in succession planning activities.

Deregulation

During the fiscal year 2002/03, more forms have been eliminated, changed or combined underlining the ministry's ongoing effort to streamline and simplify tax administration. As part of its contribution to the government-wide deregulation commitment, the ministry has achieved its target (1,000 reductions) by eliminating 1,245 regulatory requirements. The ministry will continue to review forms in an effort to reduce the amount of information requested of the taxpayer. Additionally, the ministry will look for opportunities to consolidate forms to minimize the number of forms and review regulations to existing statutes to identify opportunities to eliminate outdated provisions and reduce regulatory requirements.

Report on Resources

2002/03 Resource Summary by Core Business Areas

	Estimates	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Vote 37 Ministry Operations					
Revenue Programs Division					
Gross	43,143		43,143	38,593	4,550
External Recoveries	(37,827)		(37,827)	(37,827)	
Net	5,316		5,316	766	4,550
Strategic Initiatives and Administration Division	39,399		39,399	36,962	2,437
Collections and Loan Management Division					
Gross	10,417		10,417	8,764	1,653
Internal Recoveries	(9,854)		(9,854)	(8,418)	(1,436)
Net	563		563	346	217
Total Gross before Recoveries	**92,959**		**92,959**	**84,319**	**8,640**
Total Recoveries	**(47,681)**		**(47,681)**	**(46,245)**	**(1,436)**
Total Vote 37	**45,278**		**45,278**	**38,074**	**7,204**
Vote 31 Ministry Operations					
Medical Services Plan		5,373	5,373	5,261	112
Vote 49 Ministry Operations — Contingencies					
Property Tax, Ex-gratia		30	30	30	
British Columbia Achievement Awards Society		3,500	3,500	3,500	
Statutory					
Interest on Revenue Refunds		2,472	2,472	2,472	
Full-time Equivalents (FTE's)					
Revenue Programs Division	611		611	554	57
Strategic Initiatives and Administration Division	189		189	178	11
Collection and Loan Management Division	108		108	86	22
Total FTEs	**908**		**908**	**818**	**90**

	Estimates	Other Authorizations	Total	Actual	Variance
Ministry Capital Expenditures (CRF) ($000)					
Strategic Initiatives and Administration Division	10,240		10,240	6,752	3,488
Collections and Loan Management Division	760		760	412	348
Total MPR by Sub-Vote	**11,000**		**11,000**	**7,164**	**3,836**
Other Financing Transactions ($000)					
Revenue Programs Division					
Receipts	751,960	33,863	785,823	778,521	7,302
Disbursements	755,800	30,629	786,429	778,824	7,605
Net	(3,840)	3,234	(606)	(303)	(303)
Collections and Loan Management Division — Provincial Home Acquisition					
Receipts	100		100	140	(40)
Disbursements	40		40		40
Net	60		60	140	(80)

Variance Explanations:

Vote 37, Ministry Operations:

1. Revenue Programs Division — $4.5M savings primarily related to: recruitment lag salaries, benefits and related operating costs.
2. Strategic Initiatives and Administration Division — $2.4M savings primarily related to: temporary savings of approximately $1.8M in amortization costs due to under spending in capital expenditures and $0.6M in operating savings related to recruitment lag and related overhead.

Report on Resources

2002/03 Resource Summary by Core Business Areas

	Estimates	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Vote 37 Ministry Operations					
Revenue Programs Division					
Gross	43,143		43,143	38,593	4,550
External Recoveries	(37,827)		(37,827)	(37,827)	
Net	5,316		5,316	766	4,550
Strategic Initiatives and Administration Division	39,399		39,399	36,962	2,437
Collections and Loan Management Division					
Gross	10,417		10,417	8,764	1,653
Internal Recoveries	(9,854)		(9,854)	(8,418)	(1,436)
Net	563		563	346	217
Total Gross before Recoveries	**92,959**		**92,959**	**84,319**	**8,640**
Total Recoveries	**(47,681)**		**(47,681)**	**(46,245)**	**(1,436)**
Total Vote 37	**45,278**		**45,278**	**38,074**	**7,204**
Vote 31 Ministry Operations					
Medical Services Plan		5,373	5,373	5,261	112
Vote 49 Ministry Operations — Contingencies					
Property Tax, Ex-gratia		30	30	30	
British Columbia Achievement Awards Society		3,500	3,500	3,500	
Statutory					
Interest on Revenue Refunds		2,472	2,472	2,472	
Full-time Equivalents (FTE's)					
Revenue Programs Division	611		611	554	57
Strategic Initiatives and Administration Division	189		189	178	11
Collection and Loan Management Division	108		108	86	22
Total FTEs	**908**		**908**	**818**	**90**

	Estimates	Other Authorizations	Total	Actual	Variance
Ministry Capital Expenditures (CRF) ($000)					
Strategic Initiatives and Administration Division	10,240		10,240	6,752	3,488
Collections and Loan Management Division	760		760	412	348
Total MPR by Sub-Vote	**11,000**		**11,000**	**7,164**	**3,836**
Other Financing Transactions ($000)					
Revenue Programs Division					
Receipts	751,960	33,863	785,823	778,521	7,302
Disbursements	755,800	30,629	786,429	778,824	7,605
Net	(3,840)	3,234	(606)	(303)	(303)
Collections and Loan Management Division — Provincial Home Acquisition					
Receipts	100		100	140	(40)
Disbursements	40		40		40
Net	60		60	140	(80)

Variance Explanations:

Vote 37, Ministry Operations:

1. Revenue Programs Division — $4.5M savings primarily related to: recruitment lag salaries, benefits and related operating costs.
2. Strategic Initiatives and Administration Division — $2.4M savings primarily related to: temporary savings of approximately $1.8M in amortization costs due to under spending in capital expenditures and $0.6M in operating savings related to recruitment lag and related overhead.

2002/03 Resource Summary Mirroring the *Estimates* Vote Structure

	Estimates	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Vote 37 Ministry Operations					
Minister's Office	443		443	332	111
Revenue Collection	44,272		44,272	37,396	6,876
Debt Collection					
Collection and Loan Management	1		1	21	(20)
Home Owner Grant	537		537	309	228
Total Debt Collection	**538**		**538**	**330**	**208**
Total Vote 37	**45,253**		**45,253**	**38,059**	**7,194**
Vote 31 Ministry Operations					
Medical Services Plan (net Recoveries)		5,373	5,373	5,261	112
Vote 49 Ministry Operations — Contingencies					
Property Tax, Ex-gratia		30	30	30	
British Columbia Achievement Awards Society		3,500	3,500	3,500	
Statutory					
Interest on Revenue Refunds		2,472	2,472	2,472	
Special Account					
Provincial Home Acquisition	25		25	16	9
Full-time Equivalents (FTE's)					
Vote 37 Ministry Operations					
Minister's Office	6		6	4	2
Revenue Collection	794		794	728	66
Debt Collection					
Collection and Loan Management Branch	102		102	81	21
Home Owner Grant	6		6	5	1
Total Debt Collection	**108**		**108**	**86**	**22**
Total Vote 37	**908**		**908**	**818**	**90**

	Estimates	Other Authorizations	Total	Actual	Variance
Vote 37 Ministry Operations Vote 37 — *Continued*					
Ministry Capital Expenditures (CRF) ($000)					
Revenue Collection	10,240		10,240	6,752	3,488
Debt Collection					
Collection and Loan Management	665		665	412	253
Home Owner Grant	95		95		95
Total Debt Collection	**760**		**760**	**412**	**348**
Total Vote 37	**11,000**		**11,000**	**7,164**	**3,836**
Other Financing Transactions ($000)					
Vote 37 Minister's Office					
Revenue Collection					
Receipts	751,960	33,863	785,823	778,521	7,302
Disbursements	755,800	30,629	786,429	778,824	7,605
Net	(3,840)	3,234	(606)	(303)	(303)
Special Accounts — Provincial Home Acquisition					
Receipts	100		100	140	(40)
Disbursements	40		40		40
Net	60		60	140	(80)

Variance Explanation:

Vote 37, Ministry Operations :
Revenue Collection $6.9M savings primarily related to: recruitment lag salaries, benefits and related operating costs $5.1M; temporary savings of approximately $1.8M in amortization costs due to under spending in capital expenditures.

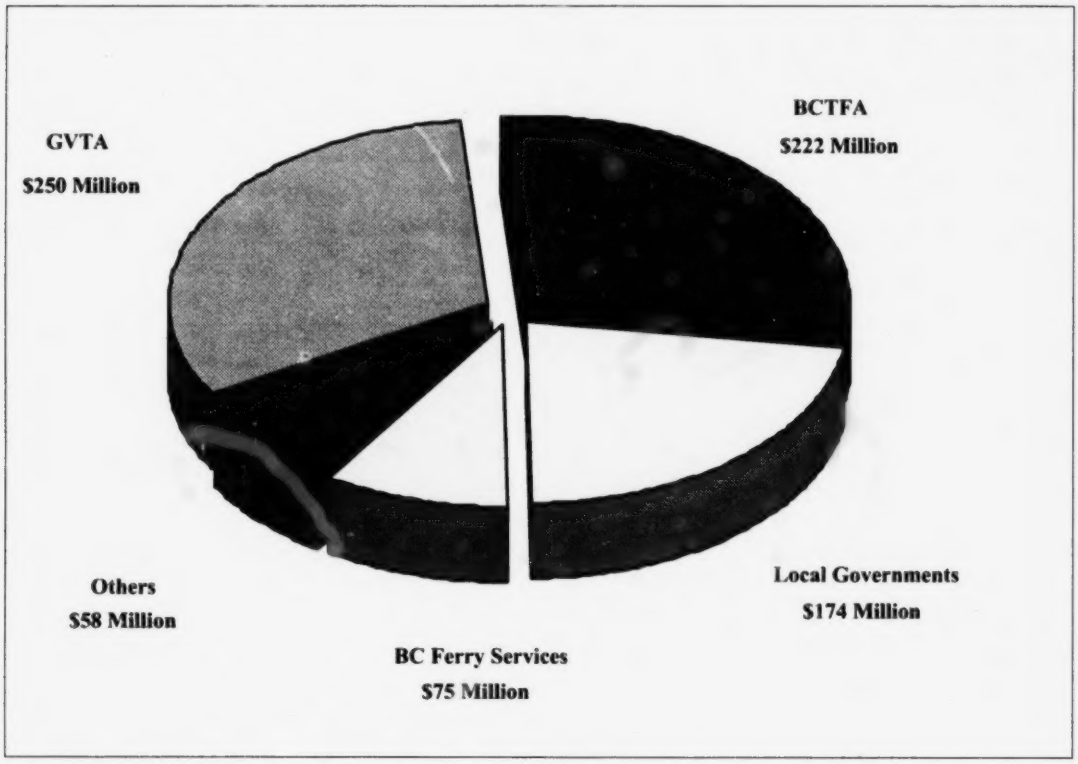
Note: Vote 37, Ministry Operations Total:

1. When comparing the Resource Summary by Core Business Area report and the Summary Mirroring the Estimates Vote Structure report it should be noted that the Revenue Collection information in the Summary Mirroring the Estimates report includes Revenue Programs Division and Strategic Initiatives and Administration Division but excludes the Minister's Office.
2. The ministry total for Vote 37 operating expenses on the Resource Summary by Core Business chart and ministry total on the above report are different. The above report breaks out the Provincial Home Acquisition amount ($25,000) from Vote 37 and reports it under the heading of "Special Account."

Financing Transactions: Disbursement Details

The ministry disperses some direct taxation revenue to other entities. The ministry dispersed $778.8 million in the fiscal year 2002 – 2003 as follows: $222.2 million to the BC Transportation Financing Authority (BCTFA); $249.6 million to the Greater Vancouver Transportation Authority (GVTA); $174.4 million to local governments; $74.7 million to BC Ferry Services and $58 million to other entities.

Table 3



Summary Reports on Other Planning Processes

Human Resource Management Plan

The ministry's Human Resource Management Plan was developed this year by a cross-ministry team of managers as a critical component to achieve the ministry's service plan Goal 5 — "Highly skilled, motivated and innovative employees." Realization of this goal will require the creation of a work environment that provides for excellence and professionalism where people are respected and recognized for performance and where continuous learning, performance improvement and innovation are fostered.

The Human Resource Management Plan sets out three goals. They are:

1. Recruit and retain skilled employees that excel in a team environment.
2. Foster a work environment that encourages motivated and creative employees.
3. Develop a strong ministry identity.

Achievement of these goals will address both service plan objectives and issues raised in an employee survey conducted in June 2002.

Information Resource Management Plan

The ministry identified key business drivers for information management (IM) and information technology (IT) for 2002/03. In response, the ministry undertook strategic IM/IT investments to improve business processes and the functionality of mission critical taxation administration systems. The ministry also strengthened the technology infrastructure to better service customers and supports the achievement of service plan goals.

The ministry increased the use of electronic service delivery channels by offering taxpayer information and electronic forms 24 hours a day, seven days a week and through other initiatives such as PC telephone banking for rural area property taxpayers.

An ongoing initiative has been launched to consolidate revenue administration across government through a multi-year Revenue Receivables Management Project. The ministry also participated in the single change of business address initiative that allows businesses dealing with all levels of government in the province to enter their changed address only once and this information automatically updates all participating agencies.

The ministry facilitated the development and documentation of a ministry-wide strategic planning framework with templates and tools, and introduced a project dashboard tool for improved project tracking and oversight. In addition, the ministry developed more efficient and effective network storage technology to enhance disaster recovery capabilities.

Appendix A

The Ministry of Provincial Revenue is responsible for the administration of the following enactments:

Corporation Capital Tax
Esquimalt and Nanaimo Railway Belt Tax
Home Conversion and Leasehold Loan
Home Mortgage Assistance Program
Home Owner Grant
Home Purchase Assistance
Homeowner Interest Assistance
Horse Racing Tax — Act repealed
Hotel Room Tax
Income Tax
Indian Self-Governing Enabling
Insurance Premium Tax
International Financial Business (Tax Refund)
Land Tax Deferment
Logging Tax
Mineral Tax
Mineral Land Tax
Mining Tax
Motor Fuel Tax
Petroleum and Natural Gas, ss 74 to 77
Property Transfer Tax
Sechelt Indian Government District Home Owner Grant
Social Service Tax
Taxation (Rural Area)
Tobacco Tax

The Minister of Provincial Revenue is charged with the administration of the following enactments, insofar as they relate to the collection of public money, as defined in section 1 of the Financial Administration Act, other than a fine, or to the administration of deposits and securities payable under the enactment.

Forest
Forest Practices Code of British Columbia
Forest Stand Management Fund
Ministry of Forests
Petroleum and Natural Gas, ss 73, 78, 80 and 81
Range
School
South Moresby Implementation Account